

The United States Attorney's Office

Southern District of Florida

Press Release

HOLLYWOOD-BASED BUSINESS OPPORTUNITY FRAUD DEFENDANT SENTENCED TO JAIL

July 27, 2006

FOR IMMEDIATE RELEASE

R. Alexander Acosta, United States Attorney for the Southern District of Florida, and Henry Gutierrez, Inspector in Charge, Miami Division, United States Postal Inspection Service, announced today that defendant **Thomas Kling** was sentenced to prison in connection with a fraudulent scheme to sell DVD vending machines. United States District Court Judge Jose E. Martinez on Thursday sentenced defendant Thomas R. Kling to two years and nine months in prison and ordered him to pay \$ 296,700 in restitution to the victims.

Kling was a sales representative at American Entertainment Distributors, Inc. ("AED"), a Hollywood, Florida-based company that fraudulently sold more than \$19 million of DVD vending machines to consumers across the United States in 2003-2004. To sell the machines, AED used baseless and wildly exaggerated profit projections, falsely promised to secure good locations for the machines, falsely claimed that the machines were reliable and easy to use, exaggerated the company's longevity, and used phony references.

Kling was the first defendant to be convicted in the case. Seven other defendants are scheduled to stand trial in Miami beginning October 10, 2006.

One of those defendants, Russell G. MacArthur, Jr., fled shortly after being indicted last August by a federal grand jury in Miami on various conspiracy, mail fraud, wire fraud, and criminal contempt charges. Russell MacArthur was arrested on July 14, 2006, by the Costa Rican Judicial police, and the United States is now seeking his extradition to Miami. Russell MacArthur is charged in the Indictment with setting up AED despite a federal court order that prohibited him from any involvement in the sale of such business opportunities.

This prosecution is part of an ongoing crackdown on business opportunity fraud in South Florida that is being carried out by the United States Department of Justice, the United States Attorney's Office in Miami, the United States Postal Inspection Service, and the Federal Trade Commission.

Mr. Acosta commended the investigative efforts of the United States Postal Inspection Service. The case is being prosecuted by Patrick Jasperse and Douglas Stearn, Trial Attorneys, United States Department of Justice, Office of Consumer Litigation.

A copy of this press release may be found on the website of the United States Attorney's Office for the Southern District of Florida at <http://www.usdoj.gov/usao/fls>. Related court documents and information may be found on the website of the District Court for the Southern District of Florida at <http://www.flsd.uscourts.gov> or on <http://pacer.flsd.uscourts.gov>.

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